

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

SEARS HOLDINGS CORPORATION, *et
al.*,

Debtors.¹

Chapter 11

Case No. 18-23538 (RDD)

(Jointly Administered)

**TWENTY THIRD MONTHLY FEE STATEMENT OF FTI CONSULTING, INC. FOR
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES INCURRED AS FINANCIAL ADVISOR TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS FOR THE PERIOD FROM
SEPTEMBER 1, 2020 THROUGH SEPTEMBER 30, 2020**

Name of Applicant: FTI Consulting, Inc.

Authorized to provide Professional Services
to: Official Committee of Unsecured Creditors

1 The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

Date of Retention: December 19, 2018, *nunc pro tunc* to October 25, 2018

Period for which compensation and reimbursement is sought: September 1, 2020 through September 30, 2020

Monthly Fees Incurred: \$9,288.00

Monthly Expenses Incurred: \$0.00

Total Fees and Expenses: \$9,288.00

This is a: X monthly ____ interim ____ final application

This statement (the “**Fee Statement**”) of FTI Consulting, Inc. (together with its wholly owned subsidiaries and independent contractors, “**FTI**”) as financial advisor to the Official Committee of Unsecured Creditors of Sears Holdings Corporation, *et al.* (the “**Committee**”) is submitted in accordance with the *Order Authorizing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [ECF No.796] entered on November 16, 2018, (the “**Order**”). In support of this Fee Statement, FTI respectfully states as follows.

1. The fees and expenses for the period from September 1, 2020 through and including September 30, 2020 (the “**Twenty Third Fee Period**”) amount to:

Professional Fees	\$9,288.00
Expenses	<u>0.00</u>
<u>TOTAL</u>	<u>\$9,288.00</u>

2. In accordance with the Order, if no timely and proper objection is made by a party-in-interest within fifteen (15) days after service of this Fee Statement, the Debtors are authorized to pay 80% of professional fees and 100% of out-of-pocket expenses. These amounts are presented below.

Professional Fees at 80%	\$7,430.40
Expenses at 100%	<u>0.00</u>
TOTAL	<u>\$7,430.40</u>

3. The professionals providing services, hourly billing rates, the aggregate hours worked by each professional, and the aggregate hourly fees for each professional during the Twenty Third Fee Period are set forth on the schedule annexed hereto as **Exhibit “A.”**

4. A summary of aggregate hours worked and aggregate hourly fees for each task code during the Twenty Third Fee Period is set forth on the schedule annexed hereto as **Exhibit “B.”**

5. Detailed time entry by task code during the Twenty Third Fee Period is set forth on the schedule annexed hereto as **Exhibit “C.”**

6. A summary of expenses incurred during the Twenty Third Fee Period is set forth on the schedule annexed hereto as **Exhibit “D.”**

7. Detailed breakdown of the expenses incurred during the Twenty Third Fee Period is set forth on the schedule annexed hereto as **Exhibit “E.”**

8. FTI reserves the right to request, in subsequent fee statements and applications, any fees and reimbursement of any additional expenses incurred during the Twenty Third Fee Period, as such fees and expenses may not have been captured to date in FTI’s billing system.

NOTICE AND OBJECTION PROCEDURES

9. Notice of this Fee Statement shall be given by hand or overnight delivery or email where available upon (i) Sears Holdings Corporation, 3333 Beverly Road, Hoffman Estates, Illinois 60179, Attention: Mohsin Y. Meghji (email: mmeghji@miiipartners.com); (ii) counsel to the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, Attention: Ray C. Schrock (email: ray.schrock@weil.com), Jacqueline Marcus (email: jacqueline.marcus@weil.com), Garrett A. Fail (email: garrett.fail@weil.com), and Sunny Singh (email: sunny.singh@weil.com); (iii) William K. Harrington, the United States Trustee, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, NY 10014, Attention: Paul Schwartzberg (e-mail: paul.schwartzberg@usdoj.gov) and Richard Morrissey (e-mail: richard.morrissey@usdoj.gov); and (iv) counsel to Bank of America, N.A., Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, NY 10036, Attention: Paul D. Leake (email: paul.leake@skadden.com), Shana A. Elberg (email: shana.elberg@skadden.com) and George R. Howard (email: george.howard@skadden.com); (v) Paul E. Harner, fee examiner, 1675 Broadway, New York, NY 10019 (email: harnerp@ballardspahr.com); and (vi) counsel to the fee examiner, Ballard Spahr LLP, 1675 Broadway, New York, NY 10019, Attention: Vincent J. Marriott (email: marriott@ballardspahr.com) and Tobey M. Daluz (email: daluzt@ballardspahr.com) (collectively, the “Notice Parties”).

10. Objections to this Fee Statement, if any, must be filed with the Court and served upon the Notice Parties so as to be received no later than October 28, 2020 (the “Objection Deadline”), setting forth the nature of the objection and the amount of fees or expenses at issue (an “Objection”).

11. If no objections to this Fee Statement are filed and served as set forth above, the Debtors shall promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the expenses identified herein.

12. If an objection to this Fee Statement is received on or before the Objection Deadline, the Debtors shall withhold payment of that portion of this Fee Statement to which the objection is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth above. To the extent such an objection is not resolved, it shall be preserved and scheduled for consideration at the next interim fee application hearing to be heard by the Court.

Dated: New York, New York
October 13, 2020

FTI CONSULTING, INC.
Financial Advisors to the Official Committee of
Unsecured Creditors of Sears Holdings Corporation

By: */s/ Matthew Diaz*
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EXHIBIT A**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538**
SUMMARY OF HOURS BY PROFESSIONAL
FOR THE PERIOD SEPTEMBER 1, 2020 TO SEPTEMBER 30, 2020

Professional	Position	Specialty	Billing Rate	Total Hours	Total Fees
Diaz, Matthew	Senior Managing Director	Restructuring	\$ 1,085	4.4	\$ 4,774.00
Nelson, Cynthia A	Senior Managing Director	Real Estate	1,085	0.7	759.50
Kim, Ye Darm	Senior Consultant	Restructuring	560	5.0	2,800.00
Shapiro, Jill	Consultant	Restructuring	415	2.3	954.50
TOTAL				12.4	\$9,288.00

EXHIBIT B**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538****SUMMARY OF HOURS BY TASK****FOR THE PERIOD SEPTEMBER 1, 2020 TO SEPTEMBER 30, 2020**

Task Code	Task Description	Total Hours	Total Fees
1	Current Operating Results & Events	0.6	\$ 651.00
5	Real Estate Issues	0.7	759.50
14	Analysis of Claims and Liabilities Subject to Compromise	7.3	5,505.50
18	Potential Avoidance Actions & Litigation	0.7	759.50
23	Firm Retention	0.4	434.00
24	Preparation of Fee Application	2.7	1,178.50
TOTAL		12.4	\$9,288.00

EXHIBIT C

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538

DETAIL OF TIME ENTRIES

FOR THE PERIOD SEPTEMBER 1, 2020 TO SEPTEMBER 30, 2020

Task Category	Date	Professional	Hours	Activity
1	9/18/2020	Diaz, Matthew	0.6	Review the updated trust cash flow analysis.
1 Total			0.6	
5	9/10/2020	Nelson, Cynthia A	0.5	Review proposed sales by Debtors of real property.
5	9/23/2020	Nelson, Cynthia A	0.2	Review and provide comments on proposed sale of land in Bishop, CA.
5 Total			0.7	
14	9/14/2020	Diaz, Matthew	0.5	Review the relator claim and proposed settlement.
14	9/14/2020	Kim, Ye Darm	0.6	Draft summary email re: Debtors' proposed secured claim settlement.
14	9/14/2020	Kim, Ye Darm	2.8	Analyze secured claim and cash flow forecasts to assess Debtors' proposed settlement.
14	9/15/2020	Diaz, Matthew	0.4	Participate on call with Counsel re: relator settlement.
14	9/15/2020	Diaz, Matthew	0.8	Participate on call with M-III re: relator claim.
14	9/15/2020	Diaz, Matthew	0.5	Review relator claim.
14	9/15/2020	Diaz, Matthew	0.3	Draft correspondence to Committee re: proposed relator settlement.
14	9/15/2020	Kim, Ye Darm	0.4	Participate on call with Counsel re: relator settlement.
14	9/15/2020	Kim, Ye Darm	0.8	Participate on call with M-III re: relator claim.
14	9/16/2020	Diaz, Matthew	0.2	Review the updated proposal associated with the relator claim.
14 Total			7.3	
18	9/18/2020	Diaz, Matthew	0.7	Review the second APA settlement with Transform.
18 Total			0.7	
23	9/1/2020	Diaz, Matthew	0.4	Final review of the updated Sears's disclosure declaration.
23 Total			0.4	
24	9/1/2020	Shapiro, Jill	0.1	Prepare the weekly fee estimate.
24	9/8/2020	Shapiro, Jill	0.7	Prepare the July Fee Statement.
24	9/9/2020	Kim, Ye Darm	0.4	Review Sears July Fee Statement.
24	9/9/2020	Shapiro, Jill	0.2	Prepare the weekly fee estimate.
24	9/9/2020	Shapiro, Jill	0.2	Prepare the July Fee Statement.
24	9/10/2020	Shapiro, Jill	0.3	Finalize the July Fee Statement.
24	9/15/2020	Shapiro, Jill	0.1	Prepare weekly fee estimate.
24	9/17/2020	Shapiro, Jill	0.4	Prepare July Fee Statement to meet fee examiner guidelines.
24	9/22/2020	Shapiro, Jill	0.2	Prepare the weekly fee estimate.
24	9/30/2020	Shapiro, Jill	0.1	Prepare the weekly fee estimate.
24 Total			2.7	
Grand Total				12.4

EXHIBIT D

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538
SUMMARY OF EXPENSES
FOR THE PERIOD SEPTEMBER 1, 2020 TO SEPTEMBER 30, 2020

Expense Type	Amount
Not Applicable in this month.	

EXHIBIT E**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538****EXPENSE DETAIL****FOR THE PERIOD SEPTEMBER 1, 2020 TO SEPTEMBER 30, 2020**

Date	Professional	Expense Type	Expense Detail	Amount
Not Applicable in this month.				